

have been identified as mega power projects. The salient features of mega policy are:

Power Trading Corporation (PTC) has been incorporated, for the purpose of buying power from mega power projects under long term Power Purchase Agreements (PPAs) and in turn selling the power to the beneficiary States under long term PPAs.

A pre-condition for purchase of power from mega power projects would be that the beneficiary States should have constituted their Regulatory Commissions with full powers to fix tariffs as envisaged in the Central Act.

Certain fiscal concessions have been given to mega power projects to make the tariff cheaper, like duty free import of capital goods, deemed exports benefit and income tax holidays for 10 years period etc.

**New system of financing the Rural Electrification Programme**

**<sup>t</sup>4330. SHRI GOPALSINH G. SOLANKI:** Will the Minister of POWER be pleased to state:

(a) whether Planning Commission has intimated about granting loans to the State Electricity Boards through their respective State Governments during the year 2001-2002;

(b) the reasons for adopting the option of new system of financing the Rural Electricity Programme; and

(c) whether this change of system will affect the ongoing schemes and if so, the details thereof?

**THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA):** (a) Planning Commission in consultation with the Ministry of Power, has decided that from the Annual Plan 2000-01 onwards, the total Normal Central Assistance (NCA) for rural electrification under Minimum Needs Programme (MNP) as allocated to State Government would be released directly

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<sup>t</sup>Original notice of the Question was received in Hindi.

to the State Governments as 100% loan against the earlier practice of routing it through Rural Electrification Corporation (REC) for on-lending the same to the respective State Electricity Boards (SEBs). The liability of repayment will be the responsibility of the State Governments.

(b) and (c) Rural Electrification Corporation (REC) would not be in a position to extend MNP component of loan to those States who are defaulting in repayment of their dues to REC, resulting in slow down in the progress of RE schemes. In order to bring a qualitative change in the approach of the Government towards the funding of the rural electrification works in the country and with a view to accelerate the pace of electrification, the option for releasing the MNP funds directly to the States has been adopted. The increased flow of funds under MNP, it is hoped, would help in accelerating the pace of rural electrification.

#### Non-payment of dues to DPC

**†4331. SHRI KAPIL SIBAL:**

**SHRI RAJIV RANJAN SINGH 'LALAN':**

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that on account of non-payment of its electricity bills, Dabhol Power Company has approached the International Judicial system for recovery of the pending amount of electricity bills upto December, 2000.

(b) if so, what is the reason of approaching the International Judicial system in a case of non-payment of electricity bills in the country;

(c) whether any agreement for approaching the International Judicial system had already been entered with Dabhol Power Company; and

(d) if so, what other terms were accepted in the agreement?

**THE MINISTER OF STATE IN THE MINISTRY OF POWER**

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<sup>†</sup>Original notice of the Question was received in Hindi.